



July 16, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,145.80	-\$3.10	\$11562.10	\$1,184.20	\$1297.50

Gold prices extended recent losses and have dropped to an eight-month low after some upbeat economic data from the US and on indications from Federal Reserve Chief Janet Yellen of a likely interest-rate hike later this year. August gold closed down \$6.00 an ounce at \$1,147.50 an ounce and spot gold ended the day at \$1148.90 per ounce.

Federal Reserve Chairman Janet Yellen gave a relatively upbeat assessment of the U.S economy in her semi-annual testimony before Congress. In her testimony, Yellen repeated her view that the Fed will likely hike interest rates later this year if the U.S. economy expands as expected, and cited improvement in the labour market.

Her remarks largely tracked the Fed's policy statement last month.

The Greek parliament passed sweeping austerity measures demanded by its' creditors to open talks on a new multibillion-euro bailout package to keep Greece in the euro, but dozens of hardliners in the ruling Syriza party deserted Prime Minister Alexis Tsipras.

The Bank of Japan cut its outlooks for Japan's economic growth and inflation reflecting slowing exports and output amid a tepid overseas economic recovery, while maintaining its large-scale monetary easing policy.

The BOJ stated that it now expects the economy to grow 1.7% in this fiscal year, down from 2.0%

forecast in late April, and consumer prices to rise 0.7% and 1.9% in fiscal 2015 and 2016 respectively, below the bank's target of achieving 2.0% inflation in the first half of fiscal 2016.

The central bank made no change to its key policy of increasing base money at an annual pace of about 80 trillion yen through massive asset purchases, keeping intact the view that the domestic economy "has continued to recover moderately."

The BOJ left unchanged its projections for economic growth for fiscal 2016 and 2017 at 1.5% and 0.2% respectively.

In other economic news, US producer prices rose slightly more than expected in June, with energy prices showing another significant increase.



About the author: David Levenstein is an independent precious metals market commentator with more than 30 years experience.

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